REMARKS

I. Introduction

This amendment is filed in response to the Office Action dated January 20, 2004 for the above-identified patent application. Claims 65-128 are currently pending in the present application. Claims 65-100 have been allowed. Claims 101-103, 117-121, 123, and 126-128 have been rejected. Claims 104-116, 122, 124, and 125 have been objected to as being dependent upon a rejected base claim. Claim 85 has been amended to correct a typographical error. No new matter is added.

II. Rejections Under 35 U.S.C. § 112 Should Be Withdrawn

Claims 126 and 127 have been rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner alleges that claims 126 and 127 contain improper hybrid claim language. Apparatus claims 126 and 127 have been amended to remove the references to method claims 65 and 101, respectively. Therefore, it is respectfully submitted that claims 126 and 127 as amended are not indefinite under 35 U.S.C. §112, second paragraph.

III. The Rejections Under 35 U.S.C. § 102 Should Be Withdrawn

Claims 101-103 and 117-119 have been rejected under 35 U.S.C. § 102(e) as unpatentable in view of U.S. Patent No. 6,359,998 to Cooklev.

Claims 101-103 and 117-119 relate to the extraction of watermarking data. Specifically, independent claim 101 discloses a method for extracting digital watermarking image data or digital watermarking audio data from a digital image, audio, or video data sample. The examiner has allowed claims 65-100, which disclose a method for applying digital

watermarking image data or digital watermarking audio data to an unlabeled digital image, audio, or video data sample. The method for extracting watermarking data is applied in the reverse order but otherwise the same as the method for applying watermarking data. Thus, for at least the reasons stated by the examiner for allowance of claims 65-100, the elements recited in independent claim 101 are not taught or fairly suggested by the prior art.

Furthermore, the present invention discloses a method for extracting a digital watermark in which the watermark is an entire image, audio or video that is embedded within another image. For example, the present invention discloses extracting watermark information that may include, *inter alia*, trademark or logo images or speech of the original owner. In contrast, Cooklev discloses embedding and extracting a watermark that is limited to bits (*i.e.*, binary digits '1' and '0') or a sequence of random numbers or a text string. (*See* Cooklev col. 11, lines 45-67) Thus, Cooklev does not disclose a method for extracting digital watermarking image data or digital watermarking audio data from a digital image, audio, or video data sample, as disclosed in independent claim 101. Moreover, since claims 102, 103, and 117-119 depend from claim 101 these dependent claims are also not taught or fairly suggested by Cooklev.

Therefore, in view of the foregoing, reconsideration and withdrawal of the rejection of claims 101-103 and 117-119 as anticipated by U.S. Patent No. 6,359,998 to Cooklev is respectfully requested.

Claim 128 has been rejected under 35 U.S.C. § 102(e) as unpatentable in view of U.S. Patent No. 6,359,998 to Cooklev. Claim 128 discloses a digital recording stored on any digital recording medium, the recording comprising a set of digital image, audio, or video data labeled with a watermark comprising a set of digital watermark image data or a set of digital watermark audio data. The examiner states that if the product in the product-by-process claim is

the same as, or obvious from, a product of the prior art, the claim is unpatentable even though the prior product was made by a different process. However, as described above, the present invention discloses a method for applying or extracting a digital watermark in which the watermark itself is an entire image, audio or video that is embedded within another image. Cooklev discloses embedding a watermark that is limited to bits (i.e., binary digits '1' and '0') or a sequence of random numbers or a text string. (*See* Cooklev col. 11, lines 45-67) Thus, the watermark disclosed in claim 128 is not the same as, or obvious from, the watermark disclosed in Cooklev.

Therefore, in view of the foregoing, reconsideration and withdrawal of the rejection of claim 128 as anticipated by U.S. Patent No. 6,359,998 to Cooklev is respectfully requested.

IV. The Rejections Under 35 U.S.C. § 103 Should Be Withdrawn

Claims 119-121 and 123 have been rejected under 35 U.S.C. §103(a) as being unpatentable in view of U.S. Patent No. 6,359,998 to Cooklev in view of U.S. Patent No. 6,427,020 to Rhoads.

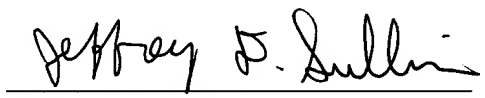
For at least the reasons stated above, Cooklev fails to teach or suggest all the recitations of independent claim 101. Rhoads also does not teach or suggest the recitations of claim 101. As claims 119-121 and 123 depend from claim 101, these dependent claims are also patentable for at least the same reasons. Therefore, in view of the foregoing, reconsideration and withdrawal of the rejection of claims 119-121 and 123 as obvious in view of U.S. Patent No. 6,359,998 to Cooklev in view of U.S. Patent No. 6,427,020 to Rhoads is respectfully requested.

V. Conclusion

It is believed that no additional fee is required in connection with this response. However, the Commissioner is hereby authorized to charge payment of any additional fee or credit any overpayment to Deposit Account No. 02-4377.

In view of the foregoing amendments and remarks, allowance of all the pending claims is respectfully requested.

Respectfully submitted,



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